ELLON PROPERTIES LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2002

COMPANY NO: SC 93458

SCT S6LXWGB3 0071
COMPANIES HOUSE 29/11/02

ELLON PROPERTIES LIMITED

COMPANY INFORMATION

INCORPORATED:	In Scotland
DIRECTOR:	S McKinnon
SECRETARY:	H M B McKinnon (Resigned 01.07.01) G C Murdoch (Appointed 01.07.01)
COMPANY NUMBER:	SC 93458
REGISTERED OFFICE:	Torridon Lane Rosyth Fife KY11 2EU
ACCOUNTANTS:	John Lynch & Co Chartered Accountants Torridon Lane ROSYTH Fife KY11 2EU

ELLON PROPERTIES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 2002

The director presents his report and the financial statements for the year ended 31 January 2002.

PRINCIPAL ACTIVITY

The principal activities of the company are that of letting commercial property and retailing secondhand motor cars.

DIRECTOR

The director at 31 January 2002 and his interest in the share capital of the company was as follows:-

	Number of Ordinary Shares
	2002 and 2001
S McKinnon	100

SMALL COMPANY RULES

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board and signed on its behalf.

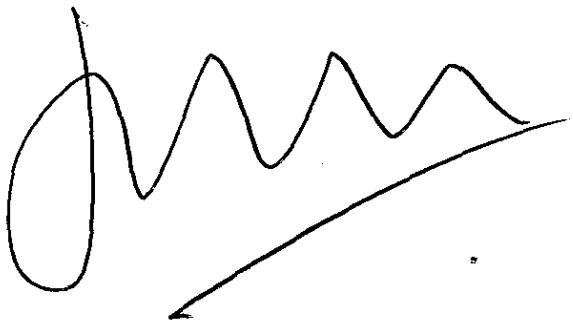
Director

Date: 29/11/02

ELLON PROPERTIES LIMITED

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTOR OF ELLON PROPERTIES LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 January 2002 set out on pages 5 to 9, and you consider that the company is exempt from audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us, and we report that they are in accordance therewith.



John Lynch & Co
Chartered Accountants
Torridon Lane
ROSYTH
Fife KY11 2EU 29/11/02

ELLON PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2002

	Notes	2002 £	2001 £
Turnover	1,2	388,233	32,376
Cost of Sales		(290,321)	-
GROSS PROFIT		97,912	32,376
Administrative Expenses		(52,726)	(12,809)
OPERATING PROFIT BEFORE INTEREST	3	45,186	19,567
Interest Payable		(13,748)	(13,084)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,438	6,483
Taxation	4	(9,103)	(5,690)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		22,335	793
Dividends		(32,550)	(9,250)
RETAINED LOSS FOR THE YEAR		(10,215)	(8,457)
RETAINED PROFIT BROUGHT FORWARD		114,234	122,691
RETAINED PROFIT CARRIED FORWARD		104,019	114,234

The notes on pages 7 to 9 form part of these financial statements.

ELLON PROPERTIES LIMITED

BALANCE SHEET AS AT 31 JANUARY 2002

	Notes	2002 £	£	2001 £	£
FIXED ASSETS					
Tangible Assets	5		307,423		314,672
CURRENT ASSETS					
Stock		59,942		-	
Debtors	6	5,000		200	
Bank		149		-	
		65,091		200	
CREDITORS: Amounts falling due within one year	7	(268,395)		(200,538)	
NET CURRENT LIABILITIES			(203,304)		(200,338)
NET ASSETS			104,119		114,334
CAPITAL AND RESERVES					
Called Up Share Capital	8		100		100
Profit and Loss Account			104,019		114,234
TOTAL SHAREHOLDERS' FUNDS			104,119		114,334

The director considers that for the year ended 31 January 2002 the company was entitled to exemption from the requirement to have an audit under subsection 1 of section 249A of the Companies Act 1985. No members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The director acknowledges his responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 January 2002 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) were approved by the board and signed on its behalf.

Director

Date: 29/11/02

The notes on pages 7 to 9 form part of these financial statements.

ELLON PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

1. ACCOUNTING POLICIES

1.1 Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of services supplied by the company, net of Value Added Tax.

1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

Land and Buildings	2% straight line basis
Office Equipment	20% reducing balance basis
Plant and Equipment	20% reducing balance basis

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for slow moving stock.

2. TURNOVER

In the year to 31 January 2002, none of the company's turnover was derived from markets outside the United Kingdom (2001: nil).

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:-	2002 £	2001 £
Depreciation of Tangible Fixed Assets	7,836	7,719
Director's Remuneration (excl. NIC)	8,769	-

4. TAXATION

	2002 £	2001 £
UK Current Year Taxation		
UK Corporation Tax	9,100	3,700
UK Prior Year		
UK Corporation Tax - Underprovision	3	1,990
	9,103	5,690

5. TANGIBLE FIXED ASSETS

	Land & Buildings	Plant & Equipment	Office Equipment	Total
Cost	£	£	£	£
At 01.02.01	385,954	-	-	385,954
Additions	-	187	400	587
At 31.01.02	385,954	187	400	386,541
Depreciation				
At 01.02.01	71,282	-	-	71,282
Charge for Period	7,719	37	80	7,836
At 31.01.02	79,001	37	80	79,118
Net Book Values				
At 31.01.02	306,953	150	320	307,423
At 31.01.01	314,672	-	-	314,672

6. DEBTORS

Amounts falling due within one year	2002	2001
	£	£
Social Security and Other Taxes	-	200
Other Debtors	5,000	-
	5,000	200

7. CREDITORS

Amounts falling due within one year	2002	2001
	£	£
Bank Loans and Overdrafts	63,466	12,417
Trade Creditors	5,326	1,346
Other Creditors	181,096	181,818
Social Security and other Taxes	5,437	-
Corporation Tax	13,044	4,931
Directors Loan	26	26
	268,395	200,538

Of the creditors falling due within and after more than one year, the bank loans and overdrafts are secured. Bank loans outstanding at the year end amounted to £Nil (2001 - £12,264).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

8. **CALLED UP SHARE CAPITAL**

	2002	2001
Authorised	£	£
100 Ordinary Shares of £1 each	100	100
Allotted, Called Up and Fully Paid		
100 Ordinary Shares of £1 each	100	100

9. **RELATED PARTIES**

The controlling party is S McKinnon by virtue of his ownership of 100% of the issued ordinary share capital in the company.